

(c) To promote trade and Investments joint trade committee meetings are held on regular basis and issues of bilateral interests are discussed to facilitate trade and investment. Export Promotion Councils are encouraged to participate regularly in exhibitions/fairs etc. They also organise buyer-sellers' meets. EXIM Policy is also suitably modified with focus on export growth.

[Translation]

Agricultural Export

536. SHRI VIRENDRA KUMAR SINGH: Will the Minister of COMMERCE be pleased to state:

(a) the details of schemes for the promotion of agricultural export under the export import policy;

(b) whether the number of farmers amongst the exporters are negligible;

(c) if so, the details thereof;

(d) whether there is any proposal to attract the interest of farmer in export; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) A number of policy changes have been introduced to make agricultural exports more viable. Lowering of import duties on capital goods particularly for greenhouse equipment and plant and machinery necessary for food processing industries has favoured agricultural exports. Most of the restrictions on agricultural exports have been removed. Only two items in the category of agricultural and food products are in the negative list i.e. beef and tallow. The items on the restricted list have been drastically pruned and very few items now remain subject to either licensing or quantitative ceiling.

The Export Policy is constantly being updated and further liberalised. Recent changes introduced include:-

1. Export of sugar has been decanalised.

2. Zero duty in case CIF value is Rs. 5 crores or more for agriculture, acquiculture, animal husbandry, floriculture, horticulture, pisciculture, viticulture, poultry and sericulture with export obligation of 6 times CIF value of CG on FOB basis or 5 times CIF value of CG on NFE basis with export obligation to be met in 6 years.

3. Permitting 50% of the production to be sold in Domestic Tariff Area.

4. Entitlement of Special Import Licence (SIL):

— 2% additional SIL for export of products manufactured by units registered as SSI provided export of these items is more than 50% of the export during that period.

— 1% additional SIL for export of fruits, vegetables, floriculture and horticulture products provided export of

these items is more than 10% of the export during that period.

— 1% additional SIL for export of products manufactured in the North East provided export of these items is more than 10% of the export during the period.

(b) to (e) No separate data is maintained for the farmers registered as exporters. However, to encourage farmers to participate in the export efforts, the Commodity Boards and the Export Promotion Councils are periodically advised to give wide publicity to the export promotion efforts of the Government.

Poor Performance Over Recovery

537. SHRI SONTOSH MOHAN DEV:

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Finance Minister called a review meeting during the month of May, 1997 to tackle with the problems of the past dues, a large chunk of which is owed by the corporates and the businessmen;

(b) whether the Finance Minister has also taken up the issue of Banks' poor performance over recovery of non-performing assets;

(c) if so, the details of the review meeting; and

(d) whether a memorandum was submitted to Finance Ministry by the Directors attached to the UCO Bank, Central Bank and other banks urging them to intervene in the debt recovery process?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Finance Minister had a meeting on 21.5.97 regarding functioning of Debts Recovery Tribunals (DRTs) and their outstanding issues so that recovery of dues in respect of suits filed by the Banks can be expedited. Performance of individual Banks in recovery of dues was not the subject of this meeting.

(d) No, Sir.

Internal Audit System

538. SHRI JANG BAHADUR SINGH PATEL: Will the Minister of FINANCE be pleased to state:

(a) the number of times the RBI and the internal auditors of the banks inspected private and public sector banks during the last three years and the outcome of such inspections, bank-wise/branch-wise alongwith findings thereof;

(b) the action taken on the findings of the RBI and the internal auditors; and

(c) the reasons for the bunglings/frauds which continue to take place in the banks in spite of the regular inspections/visits of the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) There are more than 60,000 bank branches in the country and the schedule of audits/inspection is determined by the banks/RBI. It would not be possible to indicate all branch-wise details in reply to a question as the information would be far too voluminous. Reserve Bank of India (RBI) have reported that as per the present policy with regard to on-site inspection of banks, the public sector banks are inspected every year. Private sector banks are also inspected every year. However, private sector banks with good rating are inspected at an interval of 1 to 1 1/2 years. Inspection of branches are taken up on selective basis. Besides, internal audits are carried out by the banks themselves. The focus of RBI inspection, inter-alia, is to assess compliance by banks with instructions/guidelines issued by RBI as well as the policies and procedures laid down internally by the management of the banks themselves. Where necessary, RBI also carry out special scrutiny in cases of serious irregularities coming to notice.

Inspection reports are voluminous documents and it is not feasible to chronicle all the findings in response to a question. Broadly, however, the irregularities observed may pertain to areas like deposits (including certificates of deposits) internal control, investments, window-dressing, stock invest scheme, credit management (pre-sanction appraisal, post disbursement follow up, security aspects, transgression of discretionary powers etc.) non-adherence to prudential limits, advances against selective commodities, advances against shares, review/renewal of credit limits, write-off of bad debts, bills, portfolio, non-fund based facilities, hiring of premises, consortium of lending, house-keeping (including inter-branch reconciliation blarcng of books, clearing adjustment account), provisioning etc.

(b) Based on the findings of the inspection, follow-up action is taken by RBI. After obtaining the comments of the bank on the inspection reports, the management of the bank (Chief Executive Officer and his executive team) are called for a discussion for identifying the steps required to be taken for eradicating the deficiencies. The bank's progress in implementing the agreed follow-up action plan is monitored.

(c) Frauds take place in banks either on account of systemic deficiencies or on account of non-compliance of prescribed procedures and rules.

Civil Procedure Code

539. SHRI SUBRAHMANYAM NELAVALA:

DR. T. SUBBARAMI REDDY:

SHRIMATI BHAVANA BEN

DEVRAJBHAI CHIKHALIA:

DR. VALLABH BHAI KATHIRIA:

Will the Minister of LAW and JUSTICE be pleased to state:

(a) whether a three days' Conference on Civil Code was held in Goa in May, 1997;

(b) if so, the outcome thereof;

(c) whether the Government propose to amend the Civil Procedure Code for early dispensation of civil justice in the country;

(d) if so, the details of the amendments proposed; and

(e) the time by which these amendments are likely to be introduced?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) The Central Government and the Government of Goa did not hold any such conference.

(b) Does not arise.

(c) to (e) A proposal for the amendment of the Code of Civil Procedure, 1908 and the Limitation Act, 1963 to streamline administration of Civil Justice System is under active consideration and a Bill in this regard may be brought soon before Parliament.

High Level Meeting on CRB Scam

540. SHRI SANAT MEHTA: Will the Minister of FINANCE be pleased to state:

(a) the decisions taken in a high-level meeting held by the Finance Minister to review the situation arising out of scam created by CRB Capital Markets Ltd. wherein officers of RBI and CBI were present;

(b) whether it was able to assess about the amount which would be recovered from C.R. Bhansali after his arrest; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The developments relating to CRB Capital Markets Ltd. have been reviewed by the Government in a number of meetings. Government has asked the regulators, i.e., Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) to undertake a thorough internal review of the regulatory actions in regard to these companies to see if there have been any lapses in application of regulations to CRB group of companies or in responding to warning signals, so that these deficiencies can be corrected. Government has also advised the State Bank of India to ascertain whether there was any internal failure to act on early warning signals emanating from the defaults in the payment arrangements with CRB Capital Markets Ltd. At the operative level in inter-departmental group comprising representatives of Central Bureau of Investigation (CBI), RBI, SEBI and the State Government has been constituted to ensure concerned action. RBI has also issued detailed instructions to banks prescribing the procedural safeguards to be taken into account while providing "at par" payment facilities to companies.